

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Township of Big Creek	County Oscoda
Fiscal Year End 3/31/06	Opinion Date 9/12/06	Date Audit Report Submitted to State 9/29/06	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

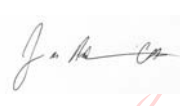
YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>			
Other (Describe)	<input type="checkbox"/>			
Certified Public Accountant (Firm Name) James M. Anderson, P.C.		Telephone Number 989-563-2450		
Street Address P.O. Box 255		City Roscommon	State MI	Zip 48653
Authorizing CPA Sign. 	Printed Name James M. Anderson, CPA	License Number 1101017419		

Digitally signed by James M. Anderson, CPA
DN: cn=James M. Anderson, CPA, o=US, ou=James M. Anderson, P.C., email=jma@m33access.com, Date: 2006.09.29 16:49:18 -0400

TOWNSHIP OF BIG CREEK
OSCODA COUNTY, MICHIGAN
AUDITED FINANCIAL STATEMENTS
MARCH 31, 2006

TOWNSHIP OFFICIALS

Supervisor

James Booth

Clerk

Judy Berney

Treasurer

Janis Sanderson

TRUSTEES

Marian Buchanan

Rex McGregor

TOWNSHIP OF BIG CREEK

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James M. Anderson, P.C.

CERTIFIED PUBLIC ACCOUNTANT

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INDEPENDENT AUDITOR'S REPORT

September 12, 2006

Township Board
Big Creek Township
Oscoda County, Michigan

I have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Township of Big Creek, as of and for the year ended March 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Township's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

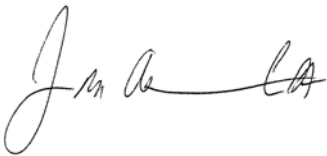
In my opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the governmental activities, each major fund activity, and the aggregate remaining fund information of the Township of Big Creek, as of March 31, 2006, and the respective changes in financial position thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis on pages 3-8 and budgetary comparison information on pages 25-30 are not a required part of the basis financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.

MEMBER MACPA and AICPA

Township Board
Big Creek Township
Oscoda County, Michigan
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My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Big Creek's basic financial statements. The introductory section and combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, I express no opinion on them.

A handwritten signature in cursive script, appearing to read "J M Anderson", written in dark ink.

JAMES M. ANDERSON, P.C.
CERTIFIED PUBLIC ACCOUNTANT

TOWNSHIP OF BIG CREEK MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Big Creek Township (the "Township"), we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2006.

Financial Highlights

- . The assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$856,167 (*net assets*). Of this amount, \$352,196 (*unrestricted net assets*) may be used to meet the Township's ongoing obligations.
- . The Township's total net assets increased by \$28,488.
- . As of the close of the current fiscal year, the Township's general fund, reported an ending fund balance of \$348,681, a decrease of \$38,471 in comparison with the prior year.
- . At the end of the current fiscal year, the unreserved fund balance for the general fund was \$348,681 or 87% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements consist of three components: 1)Government-wide financial statements, 2)Fund financial statements, and 3)Notes to the financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

Government-wide financial statements. The *Government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Township's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the Township's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**TOWNSHIP OF BIG CREEK
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Both of the Government-wide financial statements present functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Township include general government, public safety, public works, and recreation. The Township does not have any business-type activities as of and for the year ended March 31, 2006.

The Government-wide financial statements can be found on pages 9-10 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the Government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a Township's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the Government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains two governmental funds. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General and Road Improvement Fund.

The Township adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements or schedules have been provided for the governmental funds herein to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 11 and 13 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the Township. Fiduciary funds are *not* reflected in the Government-wide financial statements because the resources of those funds are *not* available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**TOWNSHIP OF BIG CREEK
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17-24 of this report.

Government-wide Financial Analysis

A portion of the Township's net assets (59%) reflects its investments in capital assets (e.g., land, land improvements, buildings, and equipment); less any related debt used to acquire those assets that is still outstanding. The Township uses these capital assets to provide services to the community; consequently, these assets are *not* available for future spending.

Township's Net Assets

	Governmental Activities			
	2006	2005	Variance	%
Current and Other Assets	\$ 358,343	\$ 392,787	\$ (34,444)	(8.77)
Capital Assets, Net	<u>503,971</u>	<u>437,317</u>	<u>66,654</u>	<u>15.24</u>
Total Assets	862,314	830,104	32,210	3.88
Current Liabilities	<u>6,147</u>	<u>2,425</u>	<u>3,722</u>	<u>153.48</u>
Total Liabilities	6,147	2,425	3,722	153.48
Net Assets				
Invested in Capital Assets, Net				
of Related Debt	503,971	437,317	66,654	15.24
Unrestricted	<u>352,196</u>	<u>390,362</u>	<u>(38,166)</u>	<u>(9.77)</u>
Total Net Assets	<u><u>\$ 856,167</u></u>	<u><u>\$ 827,679</u></u>	<u><u>\$ 28,488</u></u>	<u><u>3.44</u></u>

**TOWNSHIP OF BIG CREEK
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

The Township's net assets increased by \$28,488 during the current fiscal year. Unrestricted net assets - the part of net assets that can be used to finance day to day operations, decreased by \$38,166 or 10%, during fiscal year 2006.

Township's Changes in Net Assets

	Governmental Activities			
	<u>2006</u>	<u>2005</u>	<u>Variance</u>	<u>%</u>
Revenue:				
Program Revenue:				
Charges for Services	\$ 33,621	\$ 27,948	\$ 5,673	20.30
Operating Grants and Contributions	20,383	20,942	(559)	(2.67)
General Revenue:				
Property Taxes	73,606	73,420	186	0.25
State-Shared Revenues	231,467	230,942	525	0.72
Interest	5,309	1,516	3,793	250.20
Total Revenue	<u>364,386</u>	<u>354,768</u>	<u>9,618</u>	<u>2.71</u>
Expenses:				
General Government	166,041	166,836	(795)	(0.48)
Public Safety	74,805	85,221	(10,416)	(12.22)
Public Works	78,541	60,547	17,994	29.72
Recreation and cultural	16,511	12,013	4,498	37.44
Total Expenses	<u>335,898</u>	<u>324,617</u>	<u>11,281</u>	<u>3.48</u>
Increase in Net Assets	<u>28,488</u>	<u>30,151</u>	<u>(1,663)</u>	<u>(5.52)</u>
Net Assets, Beginning of Year	<u>827,679</u>	<u>797,528</u>	<u>30,151</u>	<u>3.78</u>
Net Assets, End of Year	<u>\$ 856,167</u>	<u>\$ 827,679</u>	<u>\$ 28,488</u>	<u>3.44</u>

Governmental activities. The Township's total governmental revenues increased by \$9,618 from last fiscal year. This was primarily attributed to the increase in revenues from charges for services. Expenses increased by \$11,281. The increase was primarily due to increases in contributions to the Big Creek-Mentor Utility Authority.

Financial Analysis of the Government's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**TOWNSHIP OF BIG CREEK
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$352,196, a decrease of \$38,166 in comparison with the prior year. The *undesignated fund balance*, which is available for spending at the Township's discretion, constitutes 100% of this total amount.

The primary governmental fund is the General Fund of the Township. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Undesignated fund balance represents 87% of total general fund expenditures.

The fund balance of the General Fund decreased by \$38,471 during the current fiscal year.

General Fund Budgetary Highlights

The Township's budgets are prepared in accordance with Michigan Law. The budgeted funds are the General and Road Improvement Funds.

Capital Assets and Debt Administration

Capital assets. The Township's investment in capital assets for its governmental activities as of March 31, 2006, amounted to \$503,971 (net of accumulated depreciation). Investment in capital assets includes land, land improvements, buildings, and equipment. Additions totaled \$93,575 for the fiscal year.

**Township's Capital Assets
(net of depreciation)**

	<u>2006</u>	<u>2005</u>	<u>Total Percentage Change</u>
Land	\$ 148,796	\$ 133,781	11.22
Buildings and Improvements	241,323	180,968	33.35
Vehicles and Equipment	<u>113,852</u>	<u>122,568</u>	<u>(7.11)</u>
Total	<u>\$ 503,971</u>	<u>\$ 437,317</u>	<u>15.24</u>

Additional information on the Township's capital assets can be found in note F on page 23 of this report.

**TOWNSHIP OF BIG CREEK
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

Factors Bearing on the Township's Future

The following factors were considered in preparing the Township's budget for the 2006-2007 fiscal year:

- . The State of Michigan has made significant cuts in their operating budgets due to a down turn of the economy. For 2005-2006, the Township received \$231,023 in state shared revenues, representing 65% of the revenues in the General Fund. The amounts of state shared revenues for future periods is uncertain and will affect the Township's budget.
- . The Township is in the process of building a new hall with a budgeted cost of \$250,000. This will be paid for the 2006/07 revenues and the fund balance carry over from the prior year.

Requests for Information

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

**Big Creek Township
P.O. Box 197
Luzerne, MI 48636**

TOWNSHIP OF BIG CREEK
STATEMENT OF NET ASSETS
MARCH 31, 2006

ASSETS	<u>Governmental Activities</u>
Current Assets:	
Cash and investments	\$ 210,891
Receivables:	
Taxes receivable	94,833
Interest	1,183
Other Governmental Units	<u>51,436</u>
Total Current Assets	358,343
Non-Current Assets:	
Capital Assets - Net	<u>503,971</u>
Total Assets	<u>862,314</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable	<u>6,147</u>
Total Current Liabilities	<u>6,147</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	503,971
Unrestricted	<u>352,196</u>
Total Net Assets	<u><u>\$ 856,167</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BIG CREEK
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2006

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue</u>
GOVERNMENTAL ACTIVITIES					
General Government	\$ (166,041)	\$ 30,399	\$ 20,383	\$ -0-	\$ (115,259)
Public Safety	(74,805)	-0-	-0-	-0-	(74,805)
Public Works	(78,541)	-0-	-0-	-0-	(78,541)
Recreation and Cultural	<u>(16,511)</u>	<u>3,222</u>	<u>-0-</u>	<u>-0-</u>	<u>(13,289)</u>
Total Governmental Activities	<u>\$ (335,898)</u>	<u>\$ 33,621</u>	<u>\$ 20,383</u>	<u>\$ -0-</u>	<u>(281,894)</u>
GENERAL REVENUES					
Property Taxes Levied for:					
General Purpose					72,281
Public Works					1,325
State Shared Revenue not restricted to specific purposes					231,467
Investment Earnings					<u>5,309</u>
Total General Revenues					<u>310,382</u>
Change in Net Assets					28,488
Net Assets - April 1					<u>827,679</u>
Net Assets - March 31					<u>\$ 856,167</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BIG CREEK
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2006

	<u>General</u>	<u>Road Improvement</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 210,351	\$ 540	\$ 210,891
Taxes receivable	90,658	4,175	94,833
Interest receivable	1,183	-0-	1,183
Due from other units of government	51,436	-0-	51,436
Due from other funds	<u>1,200</u>	<u>-0-</u>	<u>1,200</u>
Total Assets	<u>\$ 354,828</u>	<u>\$ 4,715</u>	<u>\$ 359,543</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 6,147	\$ -0-	\$ 6,147
Due to other funds	<u>-0-</u>	<u>1,200</u>	<u>1,200</u>
Total Liabilities	<u>6,147</u>	<u>1,200</u>	<u>7,347</u>
Fund Equity:			
Fund balance	<u>348,681</u>	<u>3,515</u>	<u>352,196</u>
Total Fund Equity	<u>348,681</u>	<u>3,515</u>	<u>352,196</u>
Total Liabilities and Fund Equity	<u>\$ 354,828</u>	<u>\$ 4,715</u>	<u>\$ 359,543</u>

The accompanying notes are an integral part of the financial Statements.

TOWNSHIP OF BIG CREEK
RECONCILIATION OF FUND BALANCES ON BALANCE SHEET
FOR GOVERNMENTAL FUNDS TO NET ASSETS OF
GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET ASSETS
MARCH 31, 2006

TOTAL FUND BALANCES - GOVERNMENTAL ACTIVITIES \$ 352,196

Amounts reported for governmental activities in the
Statement of Net Assets are different because:

Capital assets used in governmental activities are
not current financial resources and therefore are
not recorded in the funds. This represents the
amounts by which capital assets used in governmental
funds exceeds accumulated depreciation. 503,971

TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES \$ 856,167

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BIG CREEK
 COMBINING STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN
 FUND BALANCE - GOVERNMENTAL FUND TYPES
 YEAR ENDED MARCH 31, 2006

	<u>General</u>	<u>Road Improvements</u>	<u>Totals</u>
Revenues:			
Taxes and assessments	\$ 72,281	\$ 1,325	\$ 73,606
Intergovernmental	251,850	-0-	251,850
Charges for services	17,366	-0-	17,366
Rent	9,172	-0-	9,172
Interest	5,309	-0-	5,309
Other	<u>7,083</u>	<u>-0-</u>	<u>7,083</u>
Total Revenues	<u>363,061</u>	<u>1,325</u>	<u>364,386</u>
Expenditures:			
General government	238,755	-0-	238,755
Public safety	63,366	-0-	63,366
Public works	53,856	-0-	53,856
Highways and streets	23,665	1,020	24,685
Parks & recreation	<u>21,890</u>	<u>-0-</u>	<u>21,890</u>
Total Expenditures	<u>401,532</u>	<u>1,020</u>	<u>402,552</u>
Excess:			
Revenue over (under) expenditures	(38,471)	305	(38,166)
Fund Balance - April 1	<u>387,152</u>	<u>3,210</u>	<u>390,362</u>
Fund Balance - March 31	<u>\$ 348,681</u>	<u>\$ 3,515</u>	<u>\$ 352,196</u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BIG CREEK
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2006

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (38,166)

Amounts reported for governmental activities in the
Statement of Activities are different because:

Governmental funds report capital outlays as
expenditures. However in the statement of
activities, the cost of these assets are
capitalized and depreciation charged to expense
over their useful life.

66,654

CHANGES IN NET ASSETS - GOVERNMENTAL ACTIVITIES \$ 28,488

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BIG CREEK
STATEMENT OF FIDUCIARY NET ASSETS
MARCH 31, 2006

ASSETS		
Cash and Investments		\$ <u>142,551</u>
LIABILITIES		
Undistributed Collections		<u>142,551</u>
Total Liabilities		<u>142,551</u>
NET ASSETS		
Net Assets		\$ <u><u>-0-</u></u>

The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BIG CREEK
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
YEAR ENDED MARCH 31, 2006

REVENUES

Property Tax Collections	\$ 548,451
Interest and Other Collections	<u>9,858</u>
Total Revenues	<u>558,309</u>

EXPENDITURES

Property Taxes	548,451
Other	<u>9,858</u>
Total Expenditures	<u>558,309</u>

Excess of Revenues over Expenditures	-0-
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Net Assets - April 1	<u>-0-</u>
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Net Assets - March 31	<u><u>\$ -0-</u></u>
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The accompanying notes are an integral part of these financial statements.

TOWNSHIP OF BIG CREEK
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2006

NOTE A: ENTITY

The Township of Big Creek is a general law township of the State of Michigan located in Oscoda County, Michigan. It operates under an elected board and provides services to its residents in many areas including public safety, street development and maintenance, and general administrative services. As required by generally accepted accounting principles and governmental Accounting Standards Board (GASB) Statement no. 14 "The Financial Reporting Entity", these financial statements present Big Creek Township (primary government) and its component units. The criteria established by the GASB for determining the reporting entity includes oversight responsibility, fiscal dependency, and whether the financial statements would be misleading if data were not included. On this basis, the financial statements include all of the governmental functions of Big Creek Township.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Township of Big Creek conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS: The government-wide financial statements (i.e., the statements of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Indirect expenses* are charged based upon a Township-wide cost allocation plan which allocates costs based upon the number of full time equivalents, number of transactions, and other pertinent information. *Program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items are not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

TOWNSHIP OF BIG CREEK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION: The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Grant revenues are considered to be available when all eligibility requirements imposed by the provider have been met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures and select compensated absences are recorded only when payment is due.

Property taxes, intergovernmental revenue, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Township.

The Township reports following major governmental fund:

The *General Fund* is the Township's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

TOWNSHIP OF BIG CREEK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

The Township reports the following non-major governmental fund:

Road Improvement

Additionally, the Township reports the following fund types:

Agency Funds are used to account for assets held on behalf of outside parties, including other governments.

Property tax revenues are recognized as follows:

Properties are assessed as of December 31 and the related property taxes are levied on December 1 of the following year. These taxes are due on February 15; uncollected amounts are subsequently added to the county delinquent tax rolls. A county revolving fund normally pays the balance of the Township's tax levy by May 31 of each year. In accordance with GASB 33 "Accounting and Financial Reporting for Nonexchange Transactions", the Township records the property tax revenue when it becomes an enforceable legal claim for the Township. Therefore, all taxes levied on December 1, 2005, are recorded as revenue in the current year. The Township's taxable value for the 2005 tax year totaled \$83,921,993.

The tax rates for the year ended March 31, 2006, were as follows:

<u>PURPOSE</u>	<u>RATE/ASSESSED VALUATION</u>
General	.8617 mills per \$1,000
Road Improvement	Special Assessment

BUDGETS - Public Act 621 of 1978 as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated. The approved budgets of the Township for budgetary funds were adopted on a fund level. Budgets are normally formulated during January and February of each year and a budget hearing is held in March. The board normally adopts the budget just prior to April 1. Amendments are made to the budgets when determined to be necessary throughout the year. Unused appropriations for budgeted activities lapse at the end of the year. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

ESTIMATES - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TOWNSHIP OF BIG CREEK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CAPITAL ASSETS - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$500 and an estimated useful life in excess of two years. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exists. Donated capital assets are valued at their estimated fair value on the date received.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

No interest expense has been incurred or capitalized on capital assets reported in proprietary funds.

Depreciation on the capital assets (including infrastructure), is computed using the straight-line or sum-of-the-years digits method over the following estimated useful lives:

	<u>Years</u>
Land improvements	20
Buildings	30-50
Public domain infrastructure	8-50
Equipment	3-20

LONG-TERM OBLIGATIONS - In the government-wide financial statements, the long-term debt and other long-term obligations are reported as liabilities. For new bond issuances after the implementation of GASB Statement No. 34, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Currently, the Township has no outstanding long-term obligations.

TOWNSHIP OF BIG CREEK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE C - CASH AND INVESTMENTS

The captions on the balance sheets related to deposits and investments are as follows:

	<u>Checking & Savings</u>	<u>Certificates of Deposit</u>	<u>Total</u>
Governmental Activities	\$ 98,497	\$ 112,394	\$ 210,891
Agency funds	<u>142,551</u>	<u>-0-</u>	<u>142,551</u>
Total	<u>\$ 241,048</u>	<u>\$ 112,394</u>	<u>\$ 353,442</u>

Deposits - At year-end, the carrying amount of the Township's deposits was \$353,442 and the bank balance was \$356,586. According to Section 330.8 of the Federal Deposit Insurance Corporation Rules and Regulations, 72% of the total bank balance was covered by federal depository insurance.

The Government Accounting Standards Board Statement No. 3 risk disclosures for Big Creek Township's cash deposits are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured (FDIC)	\$ 252,337	\$ 255,481
Uninsured and Uncollateralized	<u>101,105</u>	<u>101,105</u>
Total Deposits	<u>\$ 353,442</u>	<u>\$ 356,586</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Michigan law and Township's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to local government's indirect investment in securities through the use of mutual funds or government investment pools.

Interest Rate Risk

The Township has not adopted a policy that indicates how the Township will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by limiting the weighted average maturity of its investment portfolio to less than a given period of time.

TOWNSHIP OF BIG CREEK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE C - CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The Township has not adopted a policy that indicates how the Township will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the Township's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Investments - P.A. 20 of 1943, authorizes the Township to deposit and invest in the following:

- a. Bonds and other direct obligations of the United States or its agencies.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of federally insured banks, insured savings and loan associations or credit unions insured by the national credit union administration that are eligible to be depository of surplus money belonging to the State under section 5 or 6 of act 105, PA 1855, as amended (MCL 21.145 and 21.146).
- c. Commercial paper rated at time of purchase within the three highest classifications established by not less than two standard rating services. Maturity cannot be more than 270 days after purchase.
- d. United States governmental or Federal agency obligation repurchase agreements.
- e. Bankers' acceptance of United States banks.
- f. Mutual funds composed of investments which are legal for direct investments by local units of government in Michigan.

NOTE D - EXCESS OF EXPENDITURES OVER APPROPRIATIONS IN BUDGETARY FUNDS

During the year ended March 31, 2006 the Township incurred expenditures in excess of the amounts appropriated in the General Fund as follows:

<u>Fund</u>	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
General Fund:			
Township Assessor	\$ 16,400	\$ 17,402	\$ (1,002)
Big Creek-Mentor Utility Authority	20,000	21,240	(1,240)
Parks & Recreation	20,000	21,890	(1,890)

NOTE E - DUE FROM OTHER UNITS OF GOVERNMENT

Due from other units of government consists of money advanced to the Big Creek - Mentor Utility Authority totaling \$13,000 and State revenue of \$38,436, totaling \$51,436.

TOWNSHIP OF BIG CREEK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2006 was as follows:

<u>Primary Government</u>	<u>Beginning of year</u>	<u>Increases</u>	<u>Decreases</u>	<u>End of Year</u>
Governmental activities:				
Land	<u>\$ 133,781</u>	<u>\$ 15,015</u>	<u>\$ -0-</u>	<u>\$ 148,796</u>
Total capital Assets, not being depreciated	<u>133,781</u>	<u>15,015</u>	<u>-0-</u>	<u>148,796</u>
Capital assets, being depreciated:				
Building and improvements	248,578	69,316	-0-	317,894
Vehicles and equipment	<u>203,811</u>	<u>9,244</u>	<u>-0-</u>	<u>213,055</u>
Total capital assets, being depreciated	<u>452,389</u>	<u>78,560</u>	<u>-0-</u>	<u>530,949</u>
Less accumulated depreciation for:				
Buildings and improvements	67,610	8,961	-0-	76,571
Vehicles and equipment	<u>81,243</u>	<u>17,960</u>	<u>-0-</u>	<u>99,203</u>
Total accumulated depreciation	<u>148,853</u>	<u>26,921</u>	<u>-0-</u>	<u>175,774</u>
Net capital assets, being depreciated	<u>303,536</u>	<u>51,639</u>	<u>-0-</u>	<u>355,175</u>
Net governmental activities capital assets	<u>\$ 437,317</u>	<u>\$ 66,654</u>	<u>\$ -0-</u>	<u>\$ 503,971</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 4,924
Public safety	16,590
Parks and recreation	<u>5,407</u>
Total depreciation expense - governmental activities	<u>\$ 26,921</u>

TOWNSHIP OF BIG CREEK
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED MARCH 31, 2006

NOTE G - PARTIAL SELF-INSURANCE

The Township is a member of the Michigan Township Participating Plan. Under most circumstances, the municipality's maximum coverage is limited as follows:

<u>Type</u>	<u>Limit</u>	<u>Deductible</u>
Property	\$ 733,300	100
Liability	2,000,000	-0-
Errors and Omission	2,000,000	-0-
Law Enforcement	2,000,000	-0-
Automobiles	2,000,000	-0-
Crime	10,000	-0-
Inland Marine	92,600	100
Workmen's Compensation	STATUTORY	-0-

NOTE H - JOINT VENTURE - UTILITY AUTHORITY

The Township is a participant in a joint venture with Mentor Township. The Big Creek-Mentor Utility Authority operates a joint township water and sewer system. Each of the townships appoint two members to the Utility Authority Board, these four members then appoint the fifth member from the residents of the two townships. Big Creek Township has a 50 percent interest in the venture and has advanced \$13,000 to the Utility Authority as an interest free loan. The Utility Authority is being funded by two Community Development Block Grants totaling \$809,500, a Farmers Home Administration loan of \$2,000,000, a Farmers Home Administration grant of \$4,000,000, and a State of Michigan Department of Public Health grant of \$2,450,000.

At March 31, 2005 the Utility Authority had assets of \$9,225,691 which consisted of cash totaling \$301,336, receivables of \$401,241, and capitalized construction costs of \$8,523,114 (net). Liabilities were \$2,201,410 and equity was \$7,024,281. Complete separate financial statements for the Utility Authority are available at the Big Creek - Mentor Utility Authority, P.O. Box 99, Mio, Michigan 48647.

NOTE I - JOINT VENTURE - FIRE PROTECTION

Big Creek Township is a participant in a joint venture, Tri-Town Fire Department, with the Townships of Mentor and Elmer for the purpose of providing fire protection services to the residents of the townships. The Tri-Town Fire Board is composed of the Supervisor of each of the three townships, two township board members from Big Creek Township and one township board member from each of Mentor Township and Elmer Township.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

TOWNSHIP OF BIG CREEK
STATEMENT OF REVENUE, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED MARCH 31, 2006

	Original Budget	Final Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenues:				
Taxes and assessments	\$ 90,000	\$ 90,000	\$ 72,281	\$ (17,719)
Intergovernmental	247,084	247,084	251,850	4,766
Charges for services	2,965	2,965	17,366	14,401
Rent	9,300	9,300	9,172	(128)
Interest	100	100	5,309	5,209
Other	5,450	5,450	7,083	1,633
Total Revenues	<u>354,899</u>	<u>354,899</u>	<u>363,061</u>	<u>8,162</u>
Expenditures:				
General government	262,125	262,125	238,755	23,370
Fire	68,068	68,068	63,366	4,702
Sanitation	55,000	55,000	53,856	1,144
Highways and streets	36,000	36,000	23,665	12,335
Parks & recreation	20,000	20,000	21,890	(1,890)
Total Expenditures	<u>441,193</u>	<u>441,193</u>	<u>401,532</u>	<u>39,661</u>
Excess:				
Revenue over (under) expenditures	(86,294)	(86,294)	(38,471)	47,823
Fund Balance April 1	<u>387,152</u>	<u>387,152</u>	<u>387,152</u>	<u>-0-</u>
Fund Balance - March 31	<u>\$ 300,858</u>	<u>\$ 300,858</u>	<u>\$ 348,681</u>	<u>\$ 47,823</u>

TOWNSHIP OF BIG CREEK
GENERAL FUND
STATEMENT OF REVENUES - COMPARED TO BUDGET
YEAR ENDED MARCH 31, 2006

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:				
Taxes and Assessments:				
General property taxes	\$ 90,000	\$ 90,000	\$ 72,281	\$ (17,719)
Total Taxes and Assessments	<u>90,000</u>	<u>90,000</u>	<u>72,281</u>	<u>(17,719)</u>
Intergovernmental:				
State shared revenues	235,000	235,000	231,023	(3,977)
Federal in-lieu	5,000	5,000	13,967	8,967
State Metro Act	6,644	6,644	6,416	(228)
State in-lieu	<u>440</u>	<u>440</u>	<u>444</u>	<u>4</u>
Total Intergovernmental	<u>247,084</u>	<u>247,084</u>	<u>251,850</u>	<u>4,766</u>
Charges for Services:				
Fees	<u>2,965</u>	<u>2,965</u>	<u>17,366</u>	<u>14,401</u>
Total Charges for Services	<u>2,965</u>	<u>2,965</u>	<u>17,366</u>	<u>14,401</u>
Rent	<u>9,300</u>	<u>9,300</u>	<u>9,172</u>	<u>(128)</u>
Interest	<u>100</u>	<u>100</u>	<u>5,309</u>	<u>5,209</u>
Other:				
Sale of cemetery lots	2,500	2,500	1,220	(1,280)
Reimbursements	450	450	446	(4)
Miscellaneous	<u>2,500</u>	<u>2,500</u>	<u>5,417</u>	<u>2,917</u>
Total Other	<u>5,450</u>	<u>5,450</u>	<u>7,083</u>	<u>1,633</u>
Total Revenue	<u>\$ 354,899</u>	<u>\$ 354,899</u>	<u>\$ 363,061</u>	<u>\$ 8,162</u>

TOWNSHIP OF BIG CREEK
GENERAL FUND
STATEMENT OF EXPENDITURES - COMPARED TO BUDGET
YEAR ENDED MARCH 31, 2006

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General Government				
Township Board:				
Salaries-board	\$ 5,100	\$ 5,100	\$ 5,100	\$ -0-
Payroll taxes	9,000	9,000	7,125	1,875
Supplies	1,500	1,500	1,249	251
Legal and audit	10,000	10,000	4,709	5,291
Insurance	17,000	17,000	15,384	1,616
Dues	4,000	4,000	2,473	1,527
Education	2,000	2,000	65	1,935
Miscellaneous	1,600	1,600	-0-	1,600
Capital outlay	<u>4,000</u>	<u>4,000</u>	<u>6,318</u>	<u>(2,318)</u>
Total Township Board	<u>54,200</u>	<u>54,200</u>	<u>42,423</u>	<u>11,777</u>
Township Supervisor:				
Salary	15,500	15,500	15,500	-0-
Salary-Clerical	1,000	1,000	158	842
Office supplies	2,000	2,000	792	1,208
Education	<u>-0-</u>	<u>-0-</u>	<u>245</u>	<u>(245)</u>
Total Township Supervisor	<u>18,500</u>	<u>18,500</u>	<u>16,695</u>	<u>1,805</u>
Election Board:				
Supplies	2,500	2,500	169	2,331
Contract services	<u>-0-</u>	<u>-0-</u>	<u>50</u>	<u>(50)</u>
Total Election Board	<u>2,500</u>	<u>2,500</u>	<u>219</u>	<u>2,281</u>
Township Assessor:				
Salary	16,400	16,400	16,400	-0-
Office supplies	-0-	-0-	602	(602)
Education	<u>-0-</u>	<u>-0-</u>	<u>400</u>	<u>(400)</u>
Total Township Assessor	<u>16,400</u>	<u>16,400</u>	<u>17,402</u>	<u>(1,002)</u>
Township Clerk:				
Salary - clerk	15,500	15,500	15,500	-0-
Salary - deputy	3,000	3,000	1,584	1,416
Office supplies	1,500	1,500	1,080	420
Education	<u>-0-</u>	<u>-0-</u>	<u>318</u>	<u>(318)</u>
Total Township Clerk	<u>20,000</u>	<u>20,000</u>	<u>18,482</u>	<u>1,518</u>

TOWNSHIP OF BIG CREEK
GENERAL FUND
STATEMENT OF EXPENDITURES - COMPARED TO BUDGET
YEAR ENDED MARCH 31, 2006

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General Government (continued)				
Township Treasurer:				
Salary - treasurer	\$ 15,500	\$ 15,500	\$ 15,500	\$ -0-
Salary - deputy	6,000	6,000	3,992	2,008
Office supplies	4,500	4,500	3,248	1,252
Tax statements	13,000	13,000	14,783	(1,783)
Education	-0-	-0-	314	(314)
Miscellaneous	<u>-0-</u>	<u>-0-</u>	<u>192</u>	<u>(192)</u>
Total Township Treasurer	<u>39,000</u>	<u>39,000</u>	<u>38,029</u>	<u>971</u>
Board of Review:				
Salaries	<u>1,200</u>	<u>1,200</u>	<u>720</u>	<u>480</u>
Total Board of Review	<u>1,200</u>	<u>1,200</u>	<u>720</u>	<u>480</u>
Township Hall:				
Salaries	500	500	287	213
Supplies	-0-	-0-	670	(670)
Street lights	19,000	19,000	17,829	1,171
Contract services	1,500	1,500	1,205	295
Repair & maintenance	1,325	1,325	3,944	(2,619)
Utilities	-0-	-0-	3,235	(3,235)
Capital outlay	<u>80,000</u>	<u>80,000</u>	<u>71,320</u>	<u>8,680</u>
Total Township Hall	<u>102,325</u>	<u>102,325</u>	<u>98,490</u>	<u>3,835</u>
Cemetery:				
Salaries			1,959	
Supplies			1,247	
Contract services			3,003	
Utilities			<u>86</u>	
Total Cemetery	<u>(1) 8,000</u>	<u>8,000</u>	<u>6,295</u>	<u>1,705</u>
Total General Government	<u>262,125</u>	<u>262,125</u>	<u>238,755</u>	<u>23,370</u>

(1) Budgeted in total.

TOWNSHIP OF BIG CREEK
GENERAL FUND
STATEMENT OF EXPENDITURES - COMPARED TO BUDGET
YEAR ENDED MARCH 31, 2006

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Fire				
Fire Department:				
Salaries	\$	\$	\$ 8,066	\$
Supplies			3,244	
Contract services			1,411	
Insurance			863	
Utilities			3,454	
Education			2,509	
Capital outlay			5,151	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fire Department (1)	29,400	29,400	24,698	4,702
Tri-Town Fire Department	<u>38,668</u>	<u>38,668</u>	<u>38,668</u>	<u>-0-</u>
Total Fire	<u>68,068</u>	<u>68,068</u>	<u>63,366</u>	<u>4,702</u>
Sanitation				
Transfer site	35,000	35,000	32,616	2,384
Big Creek-Mentor Utility Authority	<u>20,000</u>	<u>20,000</u>	<u>21,240</u>	<u>(1,240)</u>
Total Sanitation	<u>55,000</u>	<u>55,000</u>	<u>53,856</u>	<u>1,144</u>
Highways and Streets				
Road Improvements	<u>36,000</u>	<u>36,000</u>	<u>23,665</u>	<u>12,335</u>
Total Highway and Streets	<u>36,000</u>	<u>36,000</u>	<u>23,665</u>	<u>12,335</u>
Parks & Recreation				
Salaries			3,999	
Supplies			3,227	
Contract services			3,230	
Utilities			648	
Park Improvements			10,786	
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Parks & Recreation(1)	<u>20,000</u>	<u>20,000</u>	<u>21,890</u>	<u>(1,890)</u>
Total Expenditures	<u>\$ 441,193</u>	<u>\$ 441,193</u>	<u>\$ 401,532</u>	<u>\$ 39,661</u>

(1) Budgeted in Total.

BIG CREEK TOWNSHIP
ROAD IMPROVEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR THE YEAR ENDED MARCH 31, 2006

	<u>Original Budget</u>	<u>Final Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue:				
Property taxes	\$ 1,325	\$ 1,325	\$ 1,325	\$ -0-
Total Revenue	<u>1,325</u>	<u>1,325</u>	<u>1,325</u>	<u>-0-</u>
Expenditures:				
Road improvements	<u>1,325</u>	<u>1,325</u>	<u>1,020</u>	<u>305</u>
Total Expenditures	<u>1,325</u>	<u>1,325</u>	<u>1,020</u>	<u>305</u>
Excess:				
Revenue over (under) expenditures	-0-	-0-	305	305
Fund balance (deficit) January 1	<u>3,210</u>	<u>3,210</u>	<u>3,210</u>	<u>-0-</u>
Fund balance (deficit) December 31	<u>\$ 3,210</u>	<u>\$ 3,210</u>	<u>\$ 3,515</u>	<u>\$ 305</u>